

BRECKLAND COUNCIL

At a Meeting of the

GOVERNANCE AND AUDIT COMMITTEE

**Held on Thursday, 24 June 2021 at 2.00 pm in
The Conference Centre, Elizabeth House, Walpole Loke, Dereham**

**This meeting is in line with the Local Authorities and Police and Crime Panels
(Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings)
(England and Wales) Regulations 2020.**

PRESENT

Cllr Bill Borrett (Chairman)	Cllr Jane James
Cllr Robert Kybird (Vice-Chairman)	Cllr Linda Monument
Cllr Harry Clarke	Mr John Plaskett (Independent Lay Advisor)

Also Present

Cllr Philip Cowen	Cllr Ian Sherwood
Cllr Mark Robinson	Cllr Timothy Birt

In Attendance

Alison Chubbock	- Assistant Director Finance (Section 151 Officer)
Jason Cole	- Assistant Director Customer and Performance
Faye Haywood	- Internal Audit Manager
Ryan Pack	- Innovation and Change Business Partner
Sarah Wolstenholme-Smy	- Legal Services Manager (Deputy Monitoring Officer)
Rory Ringer	- Democratic Services Manager
Julie Britton	- Democratic Services Officer

Vice-Chairman in the Chair

The Vice-Chairman, Councillor Robert Kybird chaired the meeting in the absence of the Chairman, Councillor Borrett. Councillor Borrett would be joining the meeting later.

16/21 MINUTES (AGENDA ITEM 1)

The Minutes of the meeting held on 11 February 2021 were confirmed as a correct record.

17/21 ACTIONS ARISING FROM THE MINUTES (IF ANY) (STANDING ITEM) (AGENDA ITEM 2)

None.

18/21 APOLOGIES (AGENDA ITEM 3)

An apology for absence had been received from Mark Hodgson, External Auditor.

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The Vice-Chairman informed Members that the Chairman was running late but would be joining the meeting as soon as he could.

19/21 URGENT BUSINESS (AGENDA ITEM 4)

None.

20/21 DECLARATION OF INTERESTS (AGENDA ITEM 5)

None declared.

21/21 NON-MEMBERS WISHING TO ADDRESS THE MEETING (AGENDA ITEM 6)

Councillor Cowen, the Executive Member for Finance, Revenue & Benefits, Councillor Robinson, the Executive Member for Customer, Digital & Performance and Councillor Ian Sherwood, the Executive Member for Communications & Governance were in attendance as a number of the reports discussed were included in their Portfolio responsibilities.

Councillor Birt was also in attendance.

22/21 TRAINING (STANDING ITEM) (AGENDA ITEM 7)

The Assistant Director of Finance & S151 Officer informed Members that training on Treasury Management would be held later on in the year.

23/21 PROVISIONAL AUDIT PLAN YEAR ENDING 31 MARCH 2021 (AGENDA ITEM 8)

In the absence of Mark Hodgson, the External Auditor, Alison Chubbock, the Assistant Director of Finance & S151 Officer presented the report.

The main points of this provisional Plan for Members to note were, the audit risks, the summary of these could be found on page 23 of the agenda pack. Members could take comfort for the consistency of these risks to previous years that had been highlighted in yellow but there were a number of new risks that were highlighted in red. These new risks were as result of the impact of Covid, in respect of the large number of Government grants received and the expected increase in bad debts and business rates provisions.

The summary on page 25 of the agenda pack in respect of materiality, external audit had used exactly the same basis as before which was gross expenditure and now that the accounts had been published a final figure would be added.

Members' attention was drawn to The Value for Money (VFM) detailed on page 38 of the agenda pack. The National Audit Office had updated the Code requirements this year, and the impact was threefold in respect of risk assessment, the criteria for significant risk had been amended and a positive conclusion would no longer be provided and would only be reported by exception if the arrangements were not considered adequate. A commentary was also now provided in a new annual auditor's report

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which replaced their previous annual audit letter. The risk assessment had not as yet been completed but would be reported later as a matter of course.

A new Audit Manager had been appointed (see page 49 of the agenda pack). Alison Riglar, the previous Audit Manager have had 10 years of service with the Council, but it was time to rotate, and Amalia Valdez Herrera will now be the main point of contact for Breckland Council.

Finally, the audit fees were on page 58 of the agenda pack, these had increased in comparison to the previous year but was still subject to approval by PSAA Ltd.

Mr Plaskett had a number of questions to ask.

On page 27, it referred to accounting estimate calculations and felt that this implied that a more detailed explanation had to be provided as to what these estimates were and asked how the Council was going to deal with this.

The Assistant Director of Finance explained that the Team had already carried out this work for last year and was mainly about providing information throughout the year through previous financial reports and performance reports etc. Further information on this matter would be gathered as the audit progressed.

The second question was based on Government Grants received highlighted on page 31 of the agenda pack and Mr Plaskett asked the Assistant Director of Finance if she could provide him with an idea of level of grants Breckland Council had received over the last 15 months.

In response, Members were informed that it was in the region of £50m.

Mr Plaskett then asked how the Council would assess the debt risk highlighted on page 34 of the agenda pack and would this risk be assessed any differently this year to satisfy the auditors.

Members were informed that additional information had been included in the working papers this year particularly around such matters as rent deferments including an analysis of whether this would be collectable in the future. An assessment had been carried out on the sundry debts, the Council Tax and Business Rates were more straightforward as the Council had real life information on exactly where these were at and were easier to estimate.

Mr Plaskett had noticed that the auditor had made a reference to a gap in the Council's savings plan of £1.5m and he wondered how far the Council had got to identify where these savings were going to be made.

The Assistant Director of Finance explained that this would be over a number of years and the Council was already looking at this in the form of a draft plan and would be reported regularly through the budgets.

Councillor Cowen, the Executive Member for Finance & Benefits pointed out that normally the Council would put its budget together for the following year towards the end of the calendar year but this time it would

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be July so there was plenty of time in which to start to build back some of the 'gaps' that Members might have seen in the accounts.

The Vice-Chairman in the Chair, Councillor Kybird mentioned the additional audit fee to be determined and asked if this had been allowed for in the budget. Members were informed that the additional fee that EY was proposing had been allowed for in the budget but had been held in Reserves at this point in time.

Councillor Birt made a comment about the Council's Valuer being the District Valuer (page 32 of the agenda pack) as he thought that the Council had moved away from using the District Valuer. He was also drawn to page 39 the Value for Money section in respect of the Council's exposure to significant financial loss or risk – the high asset values such as Barnham Broom for example and wondered if anything special was being done in that direction. The overall question he had was about how the Council was going to manage these uncertainties.

In terms of the first question, Members were informed that the District Valuer was used for all of the Council's valuations except on the odd occasion where a specialised valuer was used but the contract was currently with the District Valuer. On the exposure to losses, the Council held a buffer fund in Reserves set aside for the large commercial property rental losses as well as a Business Rates Provision Reserve. Although it had been a very difficult year the Council had based such matters on historic trends and additional information would be provided in the accounts.

The Provisional Audit Plan Year Ending 31 March 2021 was otherwise noted.

The Chairman Councillor Bill Borrett in the Chair

The Chairman apologised for his lateness and thanked Councillor Kybird for chairing the meeting in his absence.

24/21 QUARTERLY RISK UPDATE (AGENDA ITEM 9)

Councillor Robinson, the Executive Member for Customer, Digital & Performance presented the report.

Jason Cole, the Assistant Director for Customer & Performance and Ryan Pack, the Innovation & Change Business Partner were also in attendance for this item.

The report presented the current status of the Council's strategic risks as at June 2021 and since the last review at the Committee meeting held on 11 February, a number of minor changes had occurred in relation to such risks that the Council currently faced.

Whilst the majority of risks had remained stable since the last quarter, it was noted that both the financial and cyber risks that were raised at the previous meeting remained the same.

Covid 19 remained the highest risk to the Council and work was planned to review this risk in the near future; taking into account the on-going

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national situation and the situation within the Breckland District. It was therefore likely that whilst this risk remained high it was likely to be downgraded in due course.

This was the first meeting of the Governance & Audit Committee since the risk assessment report had been seen by the Council's Auditors. The Auditor's report had been positive, and they had been quite content as to how the risks were being managed, the improvements that had been made and the next steps to be taken.

The Innovation & Change Business Partner then covered a few general points about risks.

It had been pleasing to receive the positive risk assessment report from the Auditors, and the 'next steps' were now being considered. Equally, having that assessment back allowed the Council to look at the risk policy in greater detail and make any necessary changes ahead of the next meeting in September.

Over the next few weeks/months a strategic risk review would be taking place to ensure that everyone was happy with the scores and target dates moving forward.

Members' attention was then drawn to the cyber security risk; an update to that risk had been provided from the Head of IT and the risk score and controls remained the same. The downgrading of the contracts risk was in respect of not having a Senior Manager in post and as the business continuity risk had been achieved for three consecutive quarters as a low risk, it was suggested that Members consider whether this should be downgraded to an operational risk.

It was noted that an additional strategic risk would be added to the next quarterly report in relation to the National Waste consultation.

Members were then invited to ask questions.

The Vice-Chairman had noted that a score of 25 had been given to the impact of the pandemic and felt that this was rather high given the level of the population who had been vaccinated, and the Council's recent ability to deliver services and personally felt that it should be 4 x 4.

The Innovation & Change Business Partner explained that this risk would be reviewed very shortly. A discussion with the Executive Management Team (EMT) had been had about this risk being scored at 5 x 5 where it had subsequently been agreed that it should not be downgraded at the time of publication. This risk was on the national risk register and moving forward he would expect this risk to be lowered accordingly.

Councillor Clarke believed that the upgrade and refurbishment of Elizabeth House and the steps that had been taken in respect of ventilation around the building had been dealt with within the corporate dashboard but felt that a Covid 19 Risk Assessment review should be included in the form of a summary for Members of the Committee for additional assurance.

It was agreed that this suggestion would be fed back to EMT.

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Mr Plaskett felt disappointed with the comments raised by the Committee at its previous meeting which had been noted in the Minutes. In his opinion, strategic risks should not be open-ended risks, there should be a start point and an end point and dates should be added accordingly. He was also disappointed that all target dates on the risk report had passed and there had been no changes made to these dates since 2019. In his opinion, it puts concerns on how this Committee could be assured about how the Council was managing its strategic risks. It would provide him with some confidence if Members were made aware of when the risk was raised, how many times the Council had failed to meet the target date, and the reason why it had not been met, and what the latest target date was.

The Chairman felt it was worth some more detail on that and agreed with Mr Plaskett. He felt at the very least it would be better to have a review and an acknowledgement of why the target date had not been met, and whether the risk was being downgraded or escalated and if a new date was being set, the rationale behind it.

Councillor Monument agreed with all the aforementioned comments and suggestions and believed there was scope to include three or four dates in that last column such as 'c' for current date, 'o' for original date then first upgrade, second upgrade and so on, doing this would enable Members to see how many times these risks had been pushed on.

The Chairman agreed but would leave this to the Performance Team to come up with something suitable.

Mr Plaskett drew attention to page 70 of the agenda pack and the lack of a target date in respect of emerging government policy. Also, under the comments in relation to the medium-term financial plan, then going back to the External Auditors Plan that was discussed earlier in the meeting, there was a comment made that the Council needed to find an additional £1.5m of savings and wondered why this risk had not been increased.

The Innovation & Change Business Partner thanked Members for their comments. In terms of the dates being identified, he apologised as this had been mentioned before and should have been included in the structure. In terms of end dates, this would be picked up in the strategic risk review and would be discussed with the risk owners accordingly. He would be happy to alter the report to make it clearer in respect of start dates, end dates, and in terms of the emerging government policy, this was a standing risk to encompass all the policy initiatives coming out of government, and the reason no target date had been provided was because these were effectively all policies combined as opposed to having four or five separate risks. However, if there was an event where a separate risk had to be highlighted it would be shown as such.

In respect of the medium-term financial plan, Alison Chubbock, the Assistant Director of Finance & S151 Officer agreed that this had been identified in the Audit report and explained that the score had remained the same due to having some clear plans on how this would be delivered; however, a watchful eye would be kept on this matter in case such plans did not come to fruition.

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Councillor Birt raised a couple of queries, the first being on page 72 of the agenda pack in respect of ICT security. He felt that this list of mitigations was extremely comprehensive but asked how these were tested and suggested having some feedback on these matters. He was also inclined to agree with Councillor Clarke's views on the safety of the building as a risk and finally there seemed to be a missing item in respect of the climate emergency. Breckland Council had declared a climate emergency and had pledged to a number of things but felt there was a great risk of not achieving what it said it was going to achieve by the 2035 date.

The Innovation & Change Business Partner stated that in terms of mitigation he would be happy to add that into the next cycle and the climate emergency would be discussed with the Officer concerned and whether such matters should be dealt with strategically or at an operational level.

Picking up on Councillor Birt's points, the Chairman said that he would prefer for these matters to be passed back to EMT to decide rather than adding a formal recommendation.

The quarterly risk update was otherwise noted.

25/21 FINAL PROGRESS REPORT 2020/21 (AGENDA ITEM 10)

Faye Haywood, the Internal Audit Manager presented the report.

This first report was the final progress report for 2021. There were a number of executive summaries included and Members were familiar with the layout.

Attention was drawn to section 2.1 of the appendix where the changes to the annual audit plan had been made on 8 October 2020 but with the Covid pandemic and maternity leave the Plan was unable to be carried forward and this report reflected the internal audit pieces of work accordingly and now concluded the Plan for 2021.

Section 4.4. of the appendix highlighted the reports that Internal Audit had been able to finalise, three of which had achieved a 'substantial' assurance rating. Housing Need and Allocations and Safeguarding had both been given 'reasonable' assurance.

The Internal Audit Manager then progressed through the remainder of the report highlighting and explaining certain sections that she felt would be of interest to Members.

Mr Plaskett drew Members' attention to page 84 of the agenda pack in respect of the ARP audit which had left him feeling slightly uncomfortable. He explained that there were many areas that he had noticed particularly the section that said: 'testing found that 22% of small business rate relief applications had no recorded contact' and felt that there were several areas that once read did not feel at all right. Then on page 86 it stated that auditors had awarded this 'reasonable' assurance. There were three urgent actions and five important actions and asked if the Head of Internal Audit thought this to be reasonable.

The Head of Internal Audit agreed that this was a key point raised but

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what she should have done in this report was to highlight that these findings related to a number of Councils and was the entire ARP arrangement and not just Breckland Council. This was the reason for the gradings which was a little different to what Members were used too. This would be made clearer in future.

The Chairman pointed out that ARP had its own Board that was external to Breckland and made up of all the partner authorities, and in view of Mr Plaskett's concerns, he asked if it would be possible to have some feedback from the ARP Board as they would have the operational control what was being proposed.

Members were informed that the Board received the internal audit reports in full and looked at the recommendations in detail and tracked the findings and made sure that the actions were being completed; however, there were Minutes of those Board meetings therefore further information could be provided.

Mr Plaskett felt that if ARP was comfortable with providing further feedback, then that would suffice.

Councillor Monument had also noticed the ARP audits and thought that this was ARP and not specifically Breckland but felt after what had been raised and what she herself had highlighted the sample they had used was not representative of all the Councils and felt that improvements such as more widespread sampling should be taken.

The Internal Audit Manager felt there was not enough information to make such assessments and what she had heard was that Members were asking for a little more information.

The report was otherwise noted.

26/21 FINAL FOLLOW UP REPORT 2020/21 (AGENDA ITEM 11)

The Internal Audit Manager presented the report.

The report provided Members with the recommendations that were still outstanding as of 31 March 2021. The Committee had been very helpful in the past in ensuring that these recommendations were completed and calling the Officers to account to the meeting where the responses were not deemed appropriate or further information was required.

Page 106 of the agenda pack at sections 2.3 to 2.6 were highlighted. A number of recommendations remained outstanding from 2017 to 2021 but there had been some improvement. There was still a great deal to be done with the Performance Team to resolve these audit recommendations particularly in respect of the historical risks.

Attention was the drawn to Appendix 2 of the report on page 109 of the agenda pack. At the time of writing this report, the necessary information had not been received but had now although completion had not been verified.

Updates were then provided in great detail for the six outstanding recommendations in 2017-18 and 2018-19.

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Mr Plaskett remained concerned as many of the extensions that had been requested were 3 years later than the original dates and wondered if that service area realised the importance of internal audit.

The Chairman pointed out that there had been many changes in staff within the IT Team and this could be as a result of these outstanding recommendations.

Councillor Cowen, the Executive Member for Finance & Benefits agreed and pointed out that there was a new Portfolio Holder responsible for ICT and he was aware of these issues and was aware that ICT and audit were not meeting the Council's expectations. The Council was now more reliant on the ICT system with the agile working practices that had been in place since the pandemic and the security of the systems were absolutely vital.

Councillor Birt also raised a number of concerns and felt that IT system used was not as up to date as it should be.

The Chairman stated that all concerns would be passed on to those in charge and addressed accordingly.

Councillor James drew attention to page 109 under BRK1821 recommendation 8 in respect of no longer being relevant as Breckland was no longer co-joined with South Holland DC. Part of the mitigation comments that had been previously provided was the risk of changing network configuration and remote solutions at both councils was too great. She assumed that it was possible at one site and asked if this had been done and if it had she felt that this recommendation should be removed.

The Internal Audit Manager felt that the comment that was missing was assurance to the Committee that there were sufficient controls in place currently to enable that audit reference to be closed down. Further investigations would be required on this matter.

The contents of the report were otherwise noted.

27/21 ANNUAL HEAD OF INTERNAL AUDIT OPINION 2020/21 (AGENDA ITEM 12)

The Internal Audit Manager presented the report on behalf of Emma Hodds, the Head of Internal Audit. The report drew on all the assurances that had been provided during 2021, as well as the follow up recommendations.

At section 2.2 of the report on page 116 of the agenda pack the opinion itself had been highlighted and the overall opinion in relation to the framework of governance, risk management and controls at Breckland Council had been given a 'reasonable' assurance. Accounts payable, key controls and assurance and corporate governance received a substantial assurance grading, and the Council's ability to deliver core services to its residents had not been severely impacted by the Covid-19 pandemic.

No 'limited' assurance gradings had been raised in 2020/21 and the Council's risk management framework and supporting processes had

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been taken into account.

The remainder of the report and appendices were explained in great detail.

The Chairman was pleased to note that the Council's services had not been impacted by this pandemic and conveyed his congratulations to all involved. He also felt that the direction of travel in respect of the Assurance Chart at Appendix 2 had improved and congratulated the Audit Team for all their hard work in which had been a difficult year.

RESOLVED that:

1. the contents of the Annual Report and Opinion of the Head of Internal Audit be noted and approved;
2. the **reasonable** audit opinion that had been given in relation to governance, risk management and control for the year ended 31 March 2021 be noted;
3. the opinions expressed together with significant matters arising from internal audit work and contained within this report be given due consideration and be noted when developing and reviewing the Council's Annual Governance Statement for 2020/21; and
4. the conclusions of the Review of the Effectiveness of Internal Audit be noted.

28/21 STRATEGIC & ANNUAL INTERNAL AUDIT PLAN 2021/22 (AGENDA ITEM 13)

The Internal Audit Manager presented the Strategic & Annual Internal Audit Plan 2021/22.

This report was normally presented to the Committee in March on an annual basis but for this year, the Plan had been significantly revised to respond to the Covid-19 pandemic and had now only recently been concluded.

This report covered a number of documents that required Members' approval, the first being on page 129 of the agenda pack, the Internal Audit Charter.

The Internal Audit Charter was presented to the Committee every two years and the last time it had been approved was in 2019. It was quite a lengthy document, and it covered the Audit Team's purpose, authority and responsibility. It was noted that there had not been any significant changes to this document.

The Internal Audit Strategy was provided to the Committee every year, and again there had not been any significant changes. The current contract was with TIAA Ltd and had been extended until 31 March 2022.

The Strategic Internal Audit Plan covered the plan of work over the next three financial years and was subject to change as a risk assessment was carried out annually on each strategic area as shown on Appendix 3 of report (pages 143 to 151).

The Annual Internal Audit Plan at Appendix 4 of the report which provided

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more details on the timing and purpose of each audit agreed for inclusion in 2021/22. The total Internal Audit provision had been highlighted at Appendix 4 on pages 147 to 151 of the agenda pack.

At section 5.3 (page 142), for 2021/22, the EIAS Internal Audit Team intended to provide cross cutting reviews of high-risk areas to compare control against best practice and the approach taken at other Councils in the consortium for added value. Depending on any changes to the control environment over the year, the annual internal audit plan may need to be revised to respond to emerging risks. The Head of Internal Audit would regularly review the Strategic Risk Register and report through to the Committee any necessary changes to the plan of work.

Mr Plaskett had been surprised with a number of items including GDPR which was a strategic risk but was not planned to be audited until 2024/25 and felt that this should be looked at much more urgently.

The Internal Audit Manager advised that a review had taken place in 2018/19 and there had been no significant concerns raised at that time and no recommendations. It was included in the Strategic Risk Register as a medium risk but would be continually reviewed as to whether this should be brought forward.

On page 144 of the agenda pack, Accounts Receivable had been classed as a high risk linked to the Statement of Accounts, Mr Plaskett was surprised that this was not going to be reviewed in 2023/24. Members were informed that that this had been reviewed in 2020/21 and had been given a 'substantial' assurance rating. This Audit area was normally carried out on a bi-annual basis and due to the number of invoices decreasing the risk had also decreased hence the reason for not carrying out a review so regularly. The Internal Audit Manager agreed that this section needed to be changed to reflect that.

Finally, on page 146 of the agenda pack, bearing in mind the earlier comments made about ICT, Mr Plaskett had noticed that just a 20-day review had been given and felt that this should have been given more thought. The Internal Audit Manager advised that this area had been scored as a medium risk in 2018/19 and had been given a reasonable assurance rating. There were some actions still outstanding in this area and management had been given the opportunity to resolve these; however, as the Committee preferred to have more assurance in this area this matter further conversation would be had with the IT Manager.

The Chairman said he would be more than happy to welcome the Head of IT to a future Committee meeting if these outstanding actions were not completed.

Councillor Clarke had observed that the content of the 'last reviewed assurance' column could be changed and suggested some amendments.

The Vice-Chairman stated that Breckland Council was putting a great deal of work and effort into the Worksmart 20:20 programme and asked where in the audit plan would this be monitored.

In response, Members were informed that there were a few days on the Plan that had been set aside for the Digital Strategy and although it was a

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key project there were not any significant risks and it would be monitored. It was agreed, however, that a risk assessment would be carried out on this matter.

RESOLVED that the following items be approved:

- a) the Internal Audit Charter
- b) the Internal Audit Strategy for 2021/22;
- c) the Strategic Internal Audit Plan 2021/22 to 2024/25; and
- d) the Annual Internal Audit Plan 2021/22.

29/21 LOCAL AUTHORITY FINANCIAL REPORTING AND EXTERNAL AUDIT (AGENDA ITEM 14)

The Assistant Director of Finance & S151 Officer presented the report.

The report was for information only and an update on progress over the last few months was provided.

The External Auditors had been experiencing various challenges over the last 2 years including changes to their auditing standards. A Redmond Review had been commissioned and links to the documents and results of the review had been included on the report as well as the MHCLG responses. The key findings from the review had been highlighted on pages 154 and 155 of the agenda pack, one of which was that MHCLG would be working with CIPFA to develop the new standardised Statement of Accounts and were considering making further amendments to the regulations to require the development and auditing of this new standardised statement (subject to consultation).

The summaries had been highlighted on page 156 of the agenda pack at section 1.8 of the report and for Breckland Council higher audit fees were expected. There would be funding for the current year, but it was unclear whether any funding would be available to cover this in future years. The Audit deadlines had been extended for this year and next year to 30 September, and there would most probably be some changes made to the summary accounts to make them more standardised across all local government.

The Chairman asked if the timetable could be fitted into the Committee cycle at an early stage to avoid changes to meeting dates.

Members were informed that the date was known for next year so conversations would be had with Democratic Services but the other unknown at this stage was when External Audit would fit in the Council's audit. In terms of the foreseeable future, the Assistant Director of Finance & S151 Officer was not confident that any further details would be forthcoming until the consultation had been completed.

The report was otherwise noted.

30/21 TREASURY MANAGEMENT OUT-TURN REPORT 2020-21 (AGENDA ITEM 15)

Councillor Cowen, the Executive Member for Finance, Revenue & Benefits presented the report.

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He reminded Members of the recent Cabinet meeting where the Quarter 4 Financial Performance report was discussed where it was found that the Council remained in a favourably strong position for this year, and this Treasury Management report underscored all that.

Alison Chubbock, the Assistant Director of Finance & S151 Officer explained that the report was quite long and rather standardised and there were a few indicators within the report that did not apply to Breckland Council as it had no borrowing needs.

Attention was drawn to page 159 of the agenda pack where it stated that the Council had complied with all of its legislative and regulatory requirements. The report showed the Council's capital spend and how it had been financed, highlighted on page 162 of the agenda pack. The spend against budget was significantly lower than expected and the majority of that underspend related to the following significant items.

- almost £3m related to two major power projects that were still on-going but had been delayed partly due to the pandemic and the lack of materials.
- a £2m variance on the waste vehicles and equipment assumed to be in place by 1 April but was delayed.
- the Worksmart 20:20 programme had also been delayed due to Covid but was almost completed as many Members had seen on the tours.

The investment balances were shown on page 163 of the agenda pack and although a great deal of money had been spent the investment balances had increased. This was an anomaly for this year due to the amount of Government grants received that the Council held for spend in future years. The Reserve balances had also increased as the cash balances that were held for the Government grants were held in Reserves.

The recommendations to Full Council were highlighted, and it was:

RESOLVED to **RECOMMEND** to Full Council that:

- 1) the actual 2020/21 prudential indicators within this report be approved; and
- 2) the Treasury Management stewardship report for 2020/21 at Appendix B and Appendix C of the report be noted.

31/21 CONSTITUTION - VARIOUS, INCLUDING CLARIFICATION OF COUNCIL MEETING TYPES (AGENDA ITEM 16)

The order of the meeting was changed, and this item was discussed after Agenda item 8.

Councillor Ian Sherwood, the Executive Member for Communications & Governance presented the report. The Senior Legal Advisor, Sarah Wolstenholme-Smy and the Democratic Services Manager, Rory Ringer, were also in attendance for this item.

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The Constitution had to be regularly reviewed by the Monitoring Officer to ensure that it remained fit for purpose. This report detailed the various amendments considered to be appropriate.

The first few amendments followed on from the separation between Breckland and South Holland District Council and the restructure such as amendments to post titles and the glossary relating to staff. The report had also tried to future proof the Glossary of Terms so that fewer amendments would be needed following any future restructures; and sought authority for the Monitoring officer and the Senior Legal Advisor to make minor amendments without Full Council approval.

The report also proposed clarification that the statutory officer appointments applied to named officers and not to named posts. Additionally, the report clarified the legal situation in respect of Full Council meetings as there had been some confusion about Extraordinary and Special meetings in the past.

The report also suggested that the Constitution be amended so as to add reference to a statutory Standing Order relating to Independent Persons as provided by legislation. Finally, the Section 151 Officer had also asked for a couple of items to be added, the first was in regard to the financial procurement rules, to provide clarity around grant funding approvals and, secondly, the S151 authorisation in respect of virements and amending the Councils approval mechanism of the transfer of budgets to be in line with the new definition of the key decision, so that a figure rather than a percentage was referred to.

It was clarified that most of these amendments were in relation to the disengagement with South Holland and did not form part of the annual review.

Councillor Birt referred Members to page 187 of the agenda pack and reminded the Committee that the reference to a special council meeting was something that he had previously queried at the October 2020 meeting as it had caused some confusion. He had been in a great deal of discussion at that time asking what the meaning of a special meeting was and how it differed from an extraordinary meeting as it did not appear anywhere in the Local Government Act and the question still remained. He also queried section 1.3 of Appendix C that listed those that could call a special meeting and asked how these could be formed.

The Senior Legal Advisor explained that special meetings alone were not specifically referred to in the Local Government Act but were encompassed as such. The difference was that all other Council meetings could be called by Members whereas a special meeting could be called by the Leader but could be called by Officers as listed in section 1.3 of the appendix. Special meetings were mostly called for a one-off item and would more than likely be called by the Monitoring Officer. Cllr Birt was informed however, that further definition on this matter would be considered.

The Chairman felt that a form of wording should be added to the recommendation that further clarity be provided on the definition of a special meeting.

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Councillor James said that she was against that idea as she felt that Appendix C of the report that described the definition of a special meeting was quite clear.

Councillor Monument was a little uncertain about Appendix B in respect of the wording proposed under section 1.4.1 and assumed that the three posts listed was not the same person but the way that it had been worded suggested that it was. She felt that it should be worded:

1.4.1 The Council must by law:

- Head of Paid Service
- Monitoring Officer
- S151 Officer

designate one of their Officers as Head of Paid Service
designate one of their Officers as Monitoring officer
designate one of their Officers as Section 151 Officer

Three different people could then be named or one of them named to do more than one job if that was acceptable. The way in which it had been written to designate 'one' of their Officers made it look as if it had to be all three.

The Chairman agreed with Councillor Monument's suggestions. The Senior Legal Advisor also agreed as it could be misinterpreted but assured Members that all three could not be one person.

Councillor Monument also referred to page 188 Standing Order No. 10 under item 10.2 where she felt that it should start with the words 'There is'; and on page 189 under Standing order No. 67, she felt that the word 'or' should be added to read: or the Section 151 Officer.

Following a vote on whether further clarity should be provided in respect of special council meetings, which was lost, it was:

RESOLVED that subject to the aforementioned minor amendments, the 16 x recommendations to Council as listed in the report be approved.

32/21 WORK PROGRAMME (AGENDA ITEM 17)

It was agreed that the Treasury management training would be held prior to the 2 December meeting – date to be confirmed.

The Work Programme was otherwise noted.

33/21 NEXT MEETING (AGENDA ITEM 18)

The arrangements for the next meeting on Wednesday, 28 July at 10am were noted, in the Anglia Room.

The meeting closed at 3.40 pm

CHAIRMAN